



State of Tennessee

Health Services and Development Agency

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AGENDA

Davy Crockett Tower
500 James Robertson Parkway
1st Floor Conference Room – Room 160
Nashville, TN

Wednesday, February 22, 2017
8:30 a.m. CST

- I. CALL TO ORDER
- II. ROLL CALL
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES
- V. STATE HEALTH PLAN UPDATE
 - A. Update: Jeff Ockerman, Director of Health Planning, Department of Health
- VI. CONSENT CALENDAR
 - A. Walgreens Infusion and Respiratory Services, LLC., d/b/a Vanderbilt HC/Walgreens IV & RT Services, Nashville (Davidson County), TN – CN1612-040
The relocation of the applicant's principal office from 500 Wilson Pike Circle, Suite 115, Brentwood (Williamson County) to 624 Grassmere Park Drive, Suite 22, Nashville (Davidson County), TN 37211. The service area consists of Bedford, Cannon, Cheatham, Coffee, Davidson, Dekalb, Dickson, Franklin, Giles, Grundy, Hickman, Houston, Humphreys, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Perry, Putnam, Robertson, Rutherford, Smith, Sumner, Trousdale, Warren, Wayne, White, Williamson, and Wilson Counties. The estimated project cost is \$3,867,636.
- VII. CERTIFICATE OF NEED APPLICATIONS
 - A. Premier Health Care, LLC., Bartlett (Shelby County), TN – CN1608-027
The establishment of a home care organization and the initiation of home health services. The proposed service area will consist of Fayette, Haywood, Madison, Shelby, and Tipton Counties. The principal office will be located at 2855 Stage Village Cove, Suite #5, Bartlett (Shelby County), TN. The estimated project cost is \$50,000. **Opposition:** Volunteer Home Care, Inc., Where the Heart is, Inc., Maxim Healthcare Services, Inc., National HealthCare Corporation, Lifeline of West Tennessee, LLC., d/b/a Extendicare Home Health of West Tennessee Medical Center Home Health, LLC., (Joint Venture with West Tennessee Health Services) Gericare, LLC., d/b/a Deaconess HomeCare, and LHC HomeCare of Tennessee, LLC., d/b/a Home Care Solutions.

- B. Ivy Hall Nursing Home, Elizabethton (Carter County), TN — CN1610-034
The addition of one skilled nursing bed to the existing licensed 100 bed Ivy Hall Nursing Home located at 301 South Watauga Avenue, Elizabethton (Carter County), Tennessee. The estimated project cost is \$37,500.
- C. TriStar Maury Regional Behavioral Healthcare, Columbia (Maury County), TN — CN1610-036
The establishment of a 60 bed mental health hospital for adolescents and adult patients located on the east side of North Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike, Columbia (Maury County), Tennessee 38401. The bed distribution will be 42 adult psychiatric beds and 18 adolescent psychiatric beds. The estimated project cost is \$24,033,431.
- D. Woodridge of West Tennessee, Inc., Jackson (Madison County), TN — CN1610-037
The addition of 16 child/adolescent inpatient psychiatric beds to an existing 16 licensed bed geriatric inpatient mental health hospital located at 49 Old Hickory Blvd., Jackson (Madison County), TN 38305. The estimated project cost is \$1,335,250.
- E. Eye Surgery Center of Knoxville, LLC., Powell (Knox County), TN — CN1610-038
The establishment of a single specialty ophthalmic ambulatory surgical treatment center at an unaddressed site on the south side of Dannaher Drive, Powell (Knox County), TN 37849. The proposed ambulatory surgical treatment center (ASTC) will have two operating rooms and one laser procedure room. The estimated project cost is \$1,850,000. **Opposition:** Tennova North Knoxville Medical Center.
- F. Parkridge West Hospital, Jasper (Marion County), TN — CN1611-039
The conversion of eight licensed medical surgical beds to eight adult psychiatric beds (for patients 18+) located at 1000 Highway 28, Jasper (Marion County), TN. If approved, the total Parkridge West Hospital adult psychiatric inpatient bed total will increase from 20 to 28. The estimated project cost is \$2,184,808.

VIII. GENERAL COUNSEL’S REPORT

- A. Report to Agency Members-Notice, no action required.

Wharton Nursing Home, Pleasant Hill (Cumberland County), TN — CN1403-006A

Per the Agency’s June 22, 2016 Delegation of Authority Policy, a 29% cost over-run was approved based on the following:

- The project was complete and received a certificate of occupancy from the Tennessee Department of Health on August 4, 2016;
- Upgrades to the proposed project improved the project (upgraded kitchen equipment and IT changes related to patient care);
- Construction cost variance due to elapsed time between feasibility study project planning stage and the time the construction bids were let (18 months) and the project was completed (a total of 36 months);
- Financing costs (capitalized interest and debt service) were omitted from the original application.

The project included a construction/renovation project that relocated 31* of the existing 62 dually certified nursing home beds to an adjacent building on the campus of Uplands Village,

a continuing care retirement community. The 31 beds were relocated from an existing building at 878-880 West Main Street to 55 West Lake Road which is where Wharton Nursing Home was previously located. All 62 beds are operated under the same license. The estimated project cost was \$5,100,000.00. With the cost increase, the final project cost is \$6,593,529, a difference of \$1,493,529.

*These beds are not subject to the 2013-2014 Nursing Home Bed Pool.

B. Staff Request for Agency Guidance - Update
Deferred from December meeting.

Life House Hospice, Inc. Cookeville (Putnam County), TN — CN1405-016A
Life House Hospice, Inc. Cookeville (Putnam County), TN — CN1406-023A

The referenced applications (the first being an Emergency CON application) requested the establishment of a home care organization to provide hospice services in Putnam County, Tennessee in conjunction with the existing Life House Residential Hospice located at 570 State Street, Cookeville, Tennessee. The emergency certificate of need and follow-up certificate of need were requested because Life House, a licensed residential hospice, had to cease all residential/inpatient operations due to its inability to become Medicare-certified because CMS will not certify a stand-alone residential hospice.

Agency staff had intended to seek guidance whether to initiate a contested case pursuant to T. C. A. § 68-11-1619 for the revocation of these certificates of need. However, Byron Trauger, on behalf of the current owner of these agencies, Hospice of Chattanooga, appeared before the TDH Board for Licensing Health Care Facilities (BLHCF) on 2/8/17 to request that both the residential hospice and hospice licenses be placed in a one year inactive status so the owner could pursue resuming residential hospice services. The BLHCF granted the inactive status until the February 2018 board meeting. Since no services are being provided and the owner is not actively trying to sell the hospice license, no action is requested at this time.

C. Contested Case Update

IX. RULEMAKING AND EMERGENCY RULEMAKING

The Agency has been directed to get emergency rules in place on quality measures as soon as possible and to report progress to the chairman on both the Senate and House Joint Government Operations Committee. The Agency will consider adopting rules - both regular and emergency - as required by TCA § 68-11-1633.

An emergency rule may be effective longer than 180 days per TCA § 4-5-208.

TCA § 68-11-1633. Development of measures for assessing quality of entities receiving certificate of need -- Failure to meet quality measures -- Penalties.

(a) In consultation with the state health planning division and the board for licensing healthcare facilities or the department of mental health and substance abuse services, whichever is appropriate, and subject to § 68-11-1609(h) the agency shall develop measures by rule for assessing quality for entities that, on or after July 1, 2016, receive a certificate of need under this part. In developing quality measures, the agency may seek the advice of stakeholders with respect to certificates of need for specific institutions or services.

(b) If the agency determines that an entity has failed to meet the quality measures developed under this section, the agency shall refer that finding to the board for licensing healthcare facilities or the department of mental health and substance abuse services, whichever is

appropriate, for appropriate action on the license of the entity under part 2 of this chapter.

(c) If the agency determines that an entity has failed to meet any quality measure imposed as a condition for a certificate of need by the agency, the agency may impose penalties pursuant to § 68-11-1617 or revoke a certificate of need pursuant to § 68-11-1619.

HISTORY: Acts 2016, Ch. 1043, § 21.

TCA § 68-11-1609 (h) *The agency shall maintain continuing oversight over any certificate of need that it approves on or after July 1, 2016. Oversight by the agency shall include requiring annual reports concerning continued need and appropriate quality measures as determined by the agency. The agency may impose conditions on a certificate of need that require the demonstration of compliance with continued need and quality measures; provided, that conditions for quality measures may not be more stringent than those measures identified by the applicant in the applicant's submitted application.*

X. OTHER BUSINESS

XI. ADJOURNMENT